

BEFORE THE DIRECTOR
OF THE
OFFICE OF CAMPAIGN FINANCE
D. C. BOARD OF ELECTIONS AND ETHICS
2000 14TH STREET, N. W., SUITE 420
WASHINGTON, D. C. 20009
(202) 671-0550

IN THE MATTER OF) DATE: February 6, 2001
)
Committee to Elect Childs) DOCKET NO.: PI 2000-103(b)
)

ORDER

Statement of the Case

This matter arises out of 3 complaints filed by Marie Drissel, 2135 Bancroft Place, N. W., Washington, D. C., 20008, alleging violations of the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D. C. Code §§1-1401 *et seq.* (the Act). Ms. Drissel claimed that the Committee to Elect Childs (Committee) untimely filed its October 10, 2000 Report of Receipts and Expenditures (October 10 Report); and, failed to disclose certain items with regard to contributions and expenses on the October 10, 2000 and on the 8-Day Before the General Election R&E Reports (8-Day Report).

The Office of Campaign Finance (OCF) addressed most of these allegations in In the Matter of Committee to Elect Childs, Docket No. PI 2000-103(a) (November 6, 2000) (First Order). The Director decided that the Committee was not required to list invoices from its vendors, at that time, until payment thereof; and the Committee, therefore, did not fail to disclose its costs for posters and hand-bills on its October 10, 2000 R&E Report. It was also decided that the design fees for posters and hand-bills were incorporated within the price and the invoices therefor were properly included in the Committee's 8-Day Before the General Election R&E Report on October 30, 2000. With regard to the late filing issue, OCF ordered the Committee to pay a fine of \$90 for filing its October 10, 2000 R&E Report 3 days late.¹

At this time, OCF addresses the remaining issues with regard to Ms. Drissel's allegations that the Committee failed to disclose its expenditures for certain items.

Issues

1. Whether the Committee allegedly failed to disclose on its October 10, 2000 R&E Report, as required by D. C. Code §1-1416(b), costs for the following:
 - (a) Post office box; and
 - (b) "T-shirts."

¹ The fine has been paid.

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2. Whether the Committee allegedly failed to disclose on its 8-Day Before the General Election R&E Report, as required by D. C. Code §1-1416(b), costs for the following:
 - (a) “[T]he second month of [bank] service charges”;
 - (b) “[A] promise to pay for something to be mailed” because “[a]n expenditure in the amount of \$446.76 was paid to the D. C. Treasurer for mailing labels from the voter roles(sp)”;
 - (c) A rental truck “. . .with VA rental tags [which] has been seen with campaign posters attached to it”;
 - (d) Telephone instruments;
 - (e) Office rent;
 - (f) Office utilities; and
 - (g) Office supplies, including computers, cell phones, copiers, or facsimile machines.

Background

On October 16, 2000, Marie Drissel complained that the Committee had filed its October 10, 2000 R&E Report 3 days late and that the R&E Report failed to disclose expenditures for, among other things, posters and t-shirts. Upon review of the complaint, OCF initiated a preliminary investigation into this matter. On October 20, 2000, OCF dispatched letters to Ms. Drissel and A. Wayne Strickland, Treasurer, the Committee, to request any information relevant to the matter no later than October 27, 2000; and to discuss this matter at an informal hearing previously scheduled for the latter on October 30, 2000.²

On October 30, 2000, an informal hearing on this matter was held. Mr. Strickland appeared with the candidate, Robert G. Childs, and counsel for the Committee, Curtis Lewis, Esq., of Curtis Lewis and Associates, in Washington, D. C. As a result of the information obtained therein, OCF sought independent verification of all sources identified by both parties. It should be noted that also on October 30, 2000, the Committee submitted an amended October 10, 2000 and its 8-Day Before the General Election R&E Reports.

Whereupon, on November 2, 2000, at 12:16 p.m., Ms. Drissel submitted a second complaint wherein she alleged that the Committee failed to disclose information regarding other types of expenditures, in addition to the alleged omissions previously

² Prior to receipt of Ms. Drissel's first complaint, OCF had scheduled the Committee for an informal hearing on October 30, 2000 regarding the matter of the committee's alleged untimely filing of the October 10, 2000 R&E Report.

related in her first complaint. Upon review thereof, OCF incorporated the complaint with the previous complaint and facsimiled the document to Mr. Lewis for a response from the Committee.

On November 6, 2000, Ms. Drissel submitted a third complaint wherein she alleged that there was an "appeal for financial support and endorsement on behalf of Rev. Childs" made at a local church. The resolution of that complaint is contained in a separate Order. It should be noted that, thereafter, Ms. Drissel submitted 2 additional complaints, which were officially received by OCF on November 7, 2000, and January 5, 2001, the resolution of which will be contained in separate Orders.

As a result of the 4 complaints, Mr. Childs requested and was granted, by telephone, on November 8, 2000, at least 4 weeks to provide the information required to respond to the remaining allegations. He said that he still had pending OCF Reports of Receipts and Expenditures, and amendments, to submit. On or around December 11, 2000, at his request, Mr. Childs was granted an additional month within which to submit the required information due to the fact that he was on work-related travel and had not received the specified bills and invoices.

On January 9, 2001, OCF dispatched a Notice of Hearing, Statement of Violations and Order of Appearance to the candidate, Robert Childs, and A. Wayne Strickland, Committee Treasurer, requiring one or both to provide the requested additional information on the record. On January 22, 2001, an informal hearing on this matter was held. Mr. Childs appeared and provided the requested information.

The scope of the OCF investigation in this matter encompassed interviewing Committee vendors; gathering, reviewing and verifying pertinent submitted information; examining applicable OCF records; research; and in-house meetings.

Relevant Statutory and Regulatory Provisions

D. C. Code §1-1416(a) states, in part, "The treasurer of each political committee supporting a candidate. . .shall file with the Director. . .reports of receipts and expenditures[. Such report shall be filed[, among other reports,] on the 10th day of . . .October[,], and on the 8th day next preceding the date on which such election is held[.]"

D. C. Code §1-1416(b) states, in part, "Each report under this section shall disclose . . . (5) [e]ach loan to or from any person within the calendar year in an aggregate amount or values of \$50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans; [and] (9) [t]he full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value of \$10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made[.]"

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D. C. Code §1-1435(b)(3) states, in part, "The aggregate set of penalties imposed under the authority of [the Director] may not exceed \$2000."

At 3 D.C.M.R. §3711.2, it reads, in part, "Fines shall be imposed as follows: . . . (f) failure to file [R&E Reports,] \$30 per day[; and] (bb) failure to disclose required information on [R&E Reports,] \$30 per day."

At 3 D.C.M.R. §3711.4, it reads, "In calculating the time period for delinquencies, Saturdays, Sundays, and holidays shall not be included."

At 3 D.C.M.R. §3711.5, it reads, "Any fine imposed by the Director, under §3711.2, shall become effective on the sixteenth (16th) day following the issuance of a decision and order; Provided, that, the respondent does not request a hearing under §3709.12."

At 3 D.C.M.R. §3711.7, it reads, "Fines imposed under his chapter shall be paid within ten (10) days of the effective date, at the OCF, Frank D. Reeves Municipal Building, 2000 14th Street, N. W., Washington, D. C., 20009, by money order or check made payable to the D. C. Treasurer."

Summary of Evidence

In support of her complaint, Ms. Drissel submitted her notarized letters of October 16, and November 2, 2000. See Attachments A and B, respectively. The Committee, through Mr. Childs, relies upon his responses, in seriatim, to the complaints, given under oath on January 22, 2001, supported by submitted documentation. See Attachment C.

OCF relies upon the Committee's December 10, 2000 Report of Receipts and Expenditures (December 10 Report), and its amendment. See Attachments D and E, respectively. OCF also relies upon the confirmation and verification by the OCF investigator of all statements given under oath. See Attachment F. Finally, OCF relies upon information gleaned by the undersigned during the informal hearing of January 22, 2001.

Findings of Fact

Having reviewed the allegations and respondents' answers, I find:

1. Respondent committee filed its December 10 Report on December 12, 2000. See Attachment D.
2. Respondent committee filed its amended December 10 Report on December 22, 2000. See Attachment E.
3. Mr. Childs used his personal post office box with which to conduct campaign activities for the Committee during his candidacy and for which he paid \$114.00 by personal check on February 1, 2000, for the year 2000. See Attachment C.
4. On September 20, 2000, Mr. Childs received T-shirts from Norman Ceasar, an independent T-shirt manufacturer. Id.

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5. On September 20, 2000, Mr. Childs did not receive an invoice for the T-shirts. See Attachment F.
6. On December 5, 2000, Mr. Childs received from Mr. Ceasar an invoice in the amount of \$540.51 for the T-shirts. Id.
7. The December 10 Report indicates that a debt of \$540.51 is due to Norman Ceacar (sp) for "T-shirts for Campaign." See Attachment D.
8. A statement from Industrial Bank of Washington, D. C. addressed to the Committee indicates that the second month of bank service charges is listed for the period of October 7, 2000 through November 9, 2000. See Attachment C.
9. The amended December 10 Report indicates that expenditures totaling \$9.00 for bank fees and service charge were paid to Industrial Bank of Washington, D. C. Id.
10. The December 10 Report indicates that an expenditure of \$2,000.00 was paid to the U. S. Postal Service of Washington, D. C. for mailing campaign literature. See Attachment D.
11. James Baxter was a campaign worker for the Committee. See Attachment F.
12. On November 7, 2000, Mr. Baxter was using a truck with Virginia rental tags to compensate for the temporary loss of his personal vehicle. Id.
13. Mr. Baxter has not sought reimbursement from the Committee for the cost of the truck rental. Id.
14. The December 10 Report indicates that a debt of \$500.00 is due to Berean Baptist Church of Washington, D. C. for Committee office space from October 15, 2000 until November 15, 2000. See Attachment D.
15. The December 10 Report indicates that a debt of \$186.12 is due Verizon Telephone Company of Baltimore, Maryland for a telephone bill for campaign headquarters. Id.
16. The December 10 Report and its amendment indicate several cost items for office supplies and copying expenses. Id.
17. Any outstanding payments constituted payments on demand, which are not debts or obligations; and, therefore, should not be reported until paid.
18. The Committee did not expend funds for computers, cell phones or facsimile machines.

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Conclusions of Law

Based upon the record and evidence, I therefore conclude:

1. OCF is required to receive all filings of statements and reports, pursuant to D.C. Code §§1-1416(a) and (b).
2. All issues regarding disclosure of expenses by the Committee in its OCF reports have been resolved.

Recommendation

I hereby recommend the Director to dismiss this complaint.

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Date

Kathy S. Williams
General Counsel

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ORDER OF THE DIRECTOR

IT IS ORDERED that this matter be dismissed.

This Order may be appealed to the Board of Elections and Ethics within 15 days from issuance.

Date

Cecily E. Collier-Montgomery
Director

SERVICE OF ORDER

This is to certify that I have been served with a true copy of the foregoing Order.

cc: Curtis Lewis, Esq.
Curtis Lewis and Associate
1750 New York Avenue, N. W.
Washington, D. C. 20004

Robert G. Childs
1624 Webster Street, N. W.
Washington, D. C. 20011

A. Wayne Strickland
1806 Valley Terrace, S. E.
Washington, D. C. 20032

Marie Drissel
2135 Bancroft Place, N. W.
Washington, D. C. 20008

Pursuant to 3 D.C.M.R. §3711.5 (1999), any fine imposed by the Director shall become effective on the 16th day following the issuance of a decision and order, if the respondent does not request an appeal of this matter. If applicable, within 10 days of the effective date of this Order, please make check or money order payable to the D. C. Treasurer, c/o Office of Campaign Finance, Suite 420, 2000 14th Street, N. W., Washington, D. C., 20009.